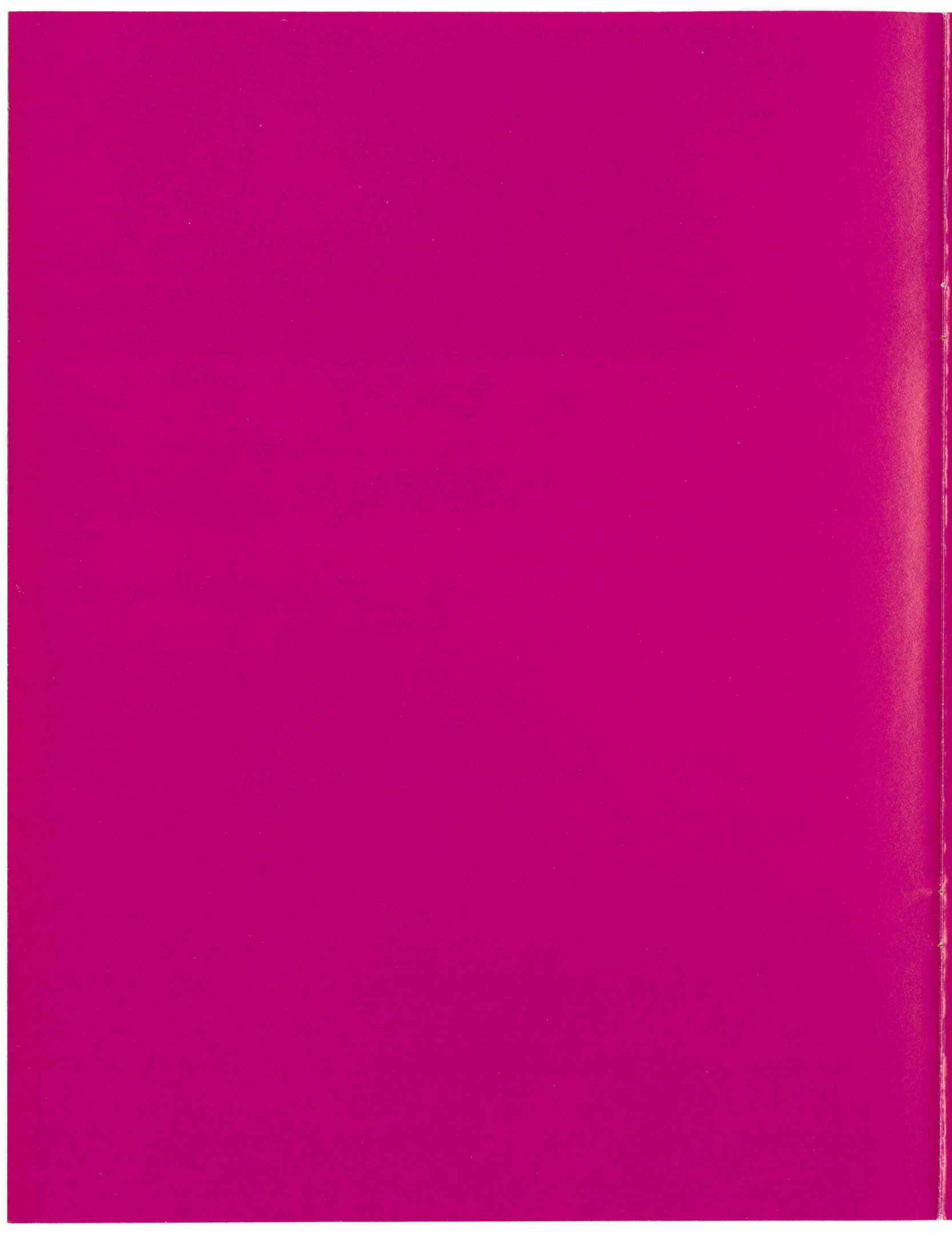


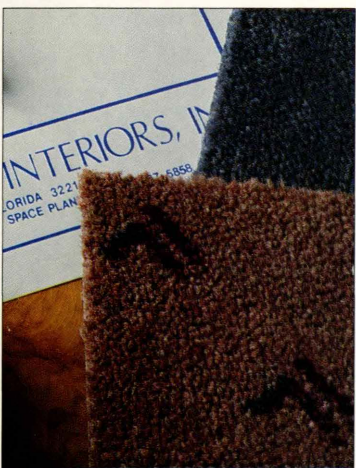
DIRECTIONS

Dec. 1986 • A Magazine of Blue Cross and Blue Shield of Florida • Vol. 1, No. 3

Joining Forces: A Coordinated Sales Approach







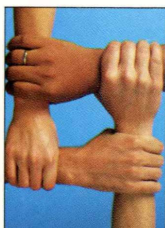
DIRECTIONS



**Blue Cross
Blue Shield**
of Florida

CONTENTS

Safety and Security: Assuring a Safe Work Environment	2
Lobby Undergoes Renovation	3
Coordinated Sales Approach: Joining Forces For The Company	4
Employee Appreciation Day	6
CMP Team Explores Potential Corporate Opportunity	8
Plan Turns To Plastic	10
Teacher Gets "Roasted" By Student	11
PHS Program Receives Positive Reception from Hospitals	12
Bibliomania	12



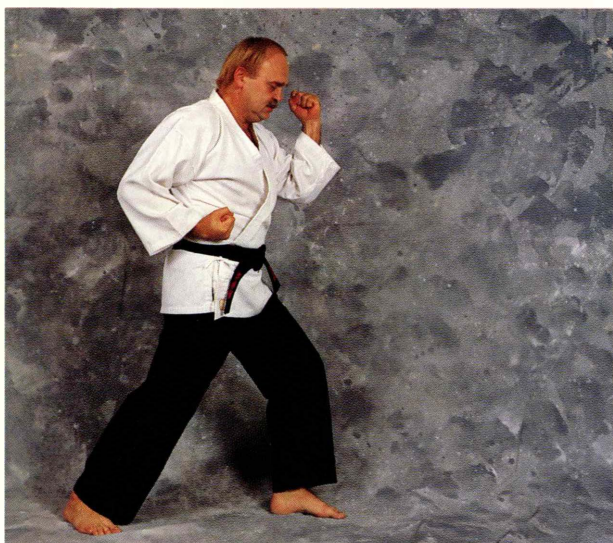
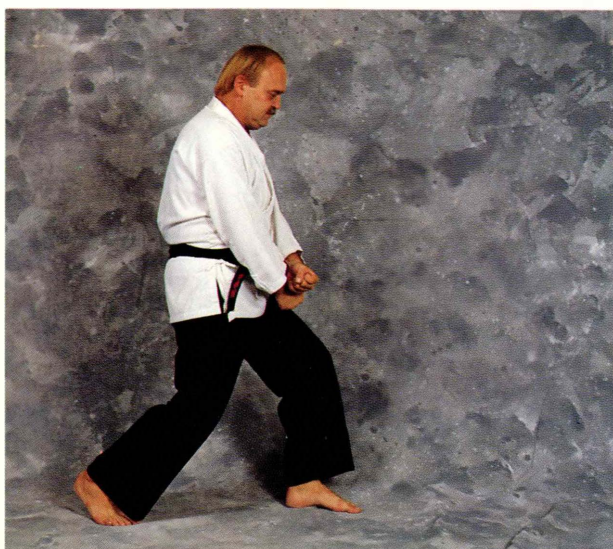
Cover: Joining forces through a coordinated sales approach not only gives added support to all members of the sales force, but also strengthens the entire company. Photo by Bob Hughes. Thanks to Tony Staten for "Lending a hand" to the cover photo.

December 1986 Vol. 1, No. 3

Maureen Munro, Editor
Robin Shepherd Studios, Inc., Design
The Graphics Department, Typesetting
Hughes Photographic, Photos, pp. 2, 3, 10, 11
Christina Hope, Photos, pp. 6, 7
The Print Shop, Printing

Directions magazine is published four times a year by the Corporate Communications staff for the employees and retirees of Blue Cross and Blue Shield of Florida. All rights are reserved. This magazine or parts thereof may not be reproduced in any form without permission from the publisher, copyright 1986, Blue Cross and Blue Shield of Florida, Jacksonville, Florida. To submit information, contact **Maureen Munro**, Editor, Corporate Communications, at 791-8075.

Safety and Security: Assuring a Safe Work Environment



Fred Gatlin teaches a self-defense course to employees.

In response to heightened corporate awareness of threats to employee safety, the Security Advisory Committee was formed early in 1986. The committee provides a forum for introducing and evaluating suggestions for improving the personal safety of employees. Approximately ten employees representing different areas of the company serve on the committee.

According to Michael Legan, manager of Safety and Security, thanks to the committee's feedback a lot of issues have been identified and given a higher priority.

"I feel we have a moral obligation to correct areas that need correcting and to give employees a vehicle for voicing concerns regarding safety and security," said Legan.

As a result of the increased emphasis on safety, certain changes have been made. Security patrols have been increased at times when employees feel most vulnerable. In conjunction with the increased patrols, a flashing orange light on top of the security vehicle gives the security force an added presence, both for the reassurance of employees and notification to "bad guys" that there is a watchful force in the area. Also, a security officer is specifically assigned to escort duty between 5 p.m. and 1:30 a.m. each day.

Acting on a recommendation from the Security Advisory Committee, Safety and Security has purchased convex mirrors for all the stairwells in the parking garage for increased visibility in these areas. Another recommendation has resulted in Facilities and Safety & Security working together to install better lighting in Parking Lot 1.

Also in the works for Legan's department is revitalization of the safety captain program so that fire drills can be organized. Changes in physical plant and staffing had caused the former system to become disorganized. The first meeting of safety captains was held in October and was well attended. The fire marshal's office showed a film on building evacuation and offered a plan for training in CPR, first aid, and use of fire apparatus.

Concerned about the approximately 1500 daily crossings of Riverside Avenue by employees, Billy Alsobrook, supervisor in Safety and Security, wrote a letter to the mayor requesting enhanced traffic lights. The outcome was the addition of turn signals to lights at several crossings.

Another outgrowth of the committee's recommendations is the self-defense course currently taught by Fred Gatlin, manager of Mail Operations. The course is offered on three different nights; approximately 40 employees are currently enrolled. Gatlin has been studying all forms of the martial arts for about 25 years, but prefers jiu jitsu because "to me, it's the more complete art."

In his classes, Gatlin concentrates on two basic things — knowledge of surroundings and basic escape techniques. He teaches a format which involves four steps: stun, avoid, strike, escape. He also explains how basic household items such as pocket combs, half-dollar pieces, books of matches, ashtrays and mayonnaise lids can be used as weapons.

Said Gatlin, "There is no guarantee to prevent violence. But you can take steps to reduce the amount of risk." He added, "It's rewarding when my students finally realize that 'hey, I may not be able to get total control of a situation, but I know situations to avoid and I am not completely helpless.' "

Lobby Undergoes First Renovation in 12 Years

Blue Cross and Blue Shield of Florida's Riverside Lobby recently underwent an extensive renovation which includes new carpeting and drapes as well as a complete rearrangement of the floor plan. According to Jack Masters, manager of Facilities Utilization and Development, the new design offers a slightly different interpretation of the lobby by using it

as a work space as well as a public lobby. Customer service representatives are located in the lobby in modular work stations with glass fronts, seating for two customers at a time and space for wheelchairs. "These new cubicles will afford our customers the comfort and privacy to which they are entitled," said Masters.

Manager of Direct

Inquiries Jane Hutcheson, who served on the evaluation committee which reviewed designs submitted by vendors, is an enthusiastic supporter of the project. "We're enhancing our corporate image," she said. "This lobby is the first thing that visitors see when they come into the building. It is professional, but at the same time very warm and inviting."

As part of the renovation, early in 1987 the Compensation and Benefits Department will be consolidated with the Human Resources Department on 1 Tower. Immediately behind the public lobby will be a reception area for the departments. New or prospective employees will be introduced to the company here.

"We feel that the relocation sends a solid message to these people," said Masters. "It says that we're professional and we're leaders and that we care about our employees."

Jeanette Smith, supervisor of Walk-in and Provider Information, said that her customer service reps looked forward to the new lobby. "The change is a real morale booster," she said. "When you work in a professional environment, there is an added encouragement to act professionally and to do your very best."

The project to renovate the blue band running around the top of the tower building was also recently completed.

Redesigning the 12-year-old Riverside Lobby required complicated planning as well as reviewing many different fabric, paint, carpet and upholstery samples.



Joining Forces:

A Coordinated Sales Approach

The needs of the marketplace are changing. Employers are seeking single carriers to provide all their health insurance programs as well as looking to those carriers to manage the risk across those programs as a "single pool." Says Executive Vice President Mike Cascone, "Currently, Blue Cross and Blue Shield of Florida is the only insurer that can provide a coordinated health insurance approach for groups statewide. We must capitalize on that advantage by developing new cultural norms which recognize the need for flexibility and constant improvement within our organization." One tactic that the corporation is using in answer to the needs of the marketplace is a coordinated sales approach, in which two independent sales forces (HMO and Traditional/PPO) accept some joint roles and agree on the basis on which those roles can be achieved and successfully worked.



Looking at the Marketplace

Although the future behavior of buyers cannot be predicted with total accuracy, some trends are evident. In areas where HMOs or PPOs have been established, a new version of the product, known as "point of service," has appeared. Using a point-of-service product, the customer actually makes a choice each time he receives services, rather than choosing among alternative programs once each year. With the potential of subscribers' entering and exiting programs constantly, a carrier needs to be capable of administering multiple programs in order to compete effectively for these customers.

Bob McCaffrey, senior vice president of Marketing, points out that as products merge into point-of-service arrangements, coordination of sales efforts becomes increasingly important. "A customer who uses the HMO provider today and a PPO or traditional provider a few weeks later," he says, "will probably expect to have a single point of inquiry for questions on out-of-pocket expenses, benefit levels, network providers, and other concerns."

McCaffrey says that current sales methods need to match buyers' expectations and needs more closely. The corporation's response to customer expectations is to call for more coordinated sales efforts. This type of approach involves sales calls designed to assess which group of products a customer needs most, sales presentations held jointly when appropriate, and the promotion by sales personnel of ALL the company's products.

Looking at the Sales Force

According to Cascone, past support in Marketing for the separation of sales forces revolved around significant differences in the product knowledge requirements for traditional, PPO and HMO representatives.

Accountabilities for service in each product area also varied.

"The HMO had to market to individuals as well as to the employer and had accountability for responding to questions and concerns more directly related to delivery of health care services," says Harvey Matoren, senior vice president of Health Maintenance Organizations. "However, there are members of both sales forces who currently have experience in both product areas."

The lines separating products are blurring with the development of multiple-option and point-of-service products, according to Matoren. He adds, "We could eliminate a lot of duplication of effort in our marketing and sales to the group decision maker. At present, marketing information systems, prospecting, and qualifying are being performed by both sales forces."

Looking at the Organization

Cascone says that winning big in the marketplace requires new attitudes, knowledge, skills and abilities within the Plan. There must be a move from a less flexible structure and style to a more adaptive environment. He points to the formation of market segment teams as consistent with such an environment and as responsible for making the company more sensitive to markets and customers and therefore more responsive to their needs.

Says Cascone, "Our willingness to change must be viewed as positive by both customers and employees. We must try to balance the need for integration of our programs with the specialization that seems to facilitate innovation." He adds, "We have to ask ourselves, 'How can we effectively market multiple products and maintain the creative environment necessary to develop innovative solutions to customers' problems?'"

Matoren adds that the next year will see the coordination/integration of financing, administration, provider networking, and care management activities for the HMO and PPO/Traditional products. He cautions that coordinating sales activities does not mean that every sale can be a multiple-option sale.

"There will be some situations in which only the HMO product can be presented and some in which only traditional or PPO products can be presented," Matoren says, "and we're attuned to that. Coordination and integration are tools; we must continue to be sensitive to the need to maintain differentiation when appropriate."

Winning Big Through Coordinated Sales

Greg Carter, Jacksonville district sales manager, and Reggie Rogers, marketing director for Health Options of Jacksonville, recently demonstrated that coordinating sales efforts can pay off big. The two were responsible for winning the City of Jacksonville contract with a triple-option program of HMO, PPO and Traditional coverage. Blue Cross and Blue Shield of Florida will be exclusive health insurance carrier for the 9,000-member group.

Carter says that he and Rogers have "come up through the ranks together" and have worked closely on several occasions. In addition to winning over the City of Jacksonville, last August Carter and Rogers won the 10,000-member Duval County School Board. In this instance, Health Options was one of several HMOs offered to the local school board. When the decision was made to reduce the number of carriers, Health Options and Blue Cross and Blue Shield were able to combine their efforts to offer an HMO/Traditional point-of-service program.

Learning to Wear the Corporate Hat

Even though they work well together, both Rogers and Carter realize that recent accomplishments were in very specialized situations.

"What has worked well for us may not necessarily work in other areas of the state," says Rogers. "In the past, we have worn separate hats. Now we are beginning to wear one 'corporate hat' more and more. It doesn't always fit, but several people within the corporation are busy making adjustments."

Carter adds that anytime there are two people trying to work on the same case, there is always a chance that the right hand will not know what the left hand is doing. "It's been working pretty well for us here in Jacksonville," he says, "but both Reggie and I will tell you that it's still tough."

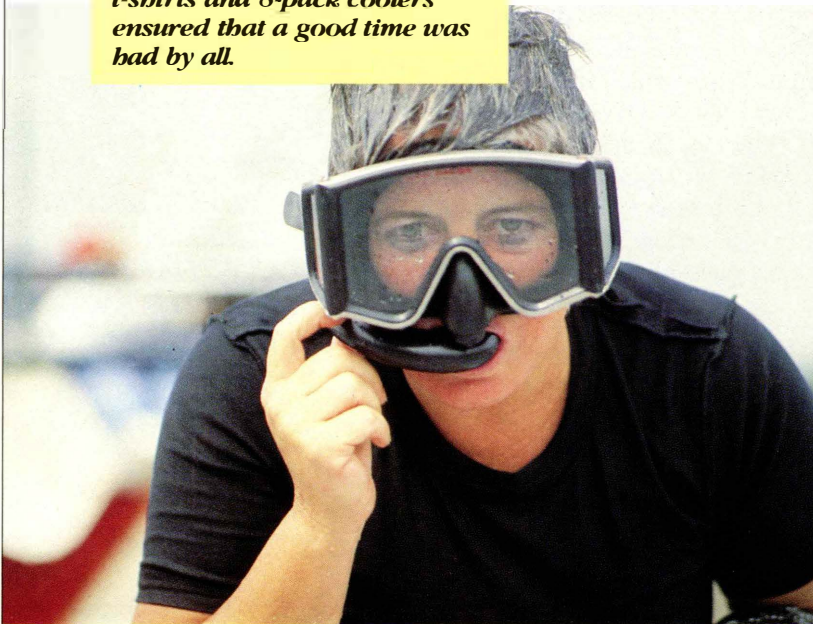
McCaffrey agrees that working out the details necessary to coordinate sales forces poses a challenge to the creativity and sensitivity of the organization. But he feels that it can and will work, to the benefit of both customers and sales force.

"As a corporation, we have had the vision to go out and position ourselves extremely well," McCaffrey says. "There is no company that has the tools that we have today. I may sound like a preacher, but there is a destiny there; if we can see it, we can have it."

"AS A CORPORATION, WE HAVE HAD THE VISION TO GO OUT AND POSITION OURSELVES EXTREMELY WELL. THERE IS NO COMPANY THAT HAS THE TOOLS THAT WE HAVE TODAY."

Employee Appreciation Day 1986

Overcast skies could not daunt the spirits of Florida Plan employees on Employee Appreciation Day, held October 10. Free box lunches, snacks, t-shirts and 8-pack coolers ensured that a good time was had by all.



Snorkel, mask and flippers accompanied Judy Discenza into the dunking booth.



Friends Linda Steckley and Claudia Blom pose for the camera.



Party's end: Facilities gets things back into shape. From left to right are Ed Coleman, Ray Rowe, Ron Briggs, Ronnie Jackson and Mario Hernandez.





Marilyn Woods and Sibyl Hollie submit cotton candy to the taste test.


Larry Elsey admires the giant turtle that Janet McConnell won in the basketball toss.



Bob Sebok's pink elephant was no hallucination.



Whatever it was, it was pretty funny — Debbie Hopkins and Terri Lordahl share a laugh.



HOW CAN WE BE
MORE RESPONSIVE TO
CUSTOMER NEEDS?

CMP TEAM EXPLORES POTENTIAL CORPORATE OPPORTUNITY

*Team members seek creative suggestions
throughout the Corporation.*

Under the direction of Dr. Mike Jenkin, vice president of Medical Program Development, the Competitive Medical Plan (CMP) Business Venture Management Team is using a different focus to study business venture opportunities. The new focus is one which provides leadership to the corporation in arriving at a more competitive solution to the health care needs of the older Floridian.

Contrary to the common misconception, a CMP is not another alternative delivery system like an HMO. It is really a more liberalized form of Medicare risk contracting. The government has indicated it would like to move the Medicare program into the private sector and so it provides a way for different types of organizations to obtain a Medicare risk contract. Previously, only federally-qualified HMOs could have a Medicare risk contract.

Jenkin explained that the team's exploration of market needs has produced some unexpected results. "For example," he said, "the needs that we have identified for the Medicare population actually emerge much earlier, about the time you enter your 50's. The only thing that happens at age 65 is that your insurance needs change; your health, psychosocial, and economic needs start changing much earlier. Consequently, our view of the market has changed. We're thinking about product concepts that capture consumers early and that provide for them over a long period of time. One unmet need keeps coming through loud and clear and that is the desire to live an independent lifestyle as long as possible."

Adds team member Bill Peaks, "This need makes us realize that we will have to look at the whole spectrum of an older person's health status. We can't concentrate on just the periods when he has an acute illness. We have to look at maintaining his health as well as keeping him out of a nursing home when he is suffering from a chronic illness."

Other members of the team are examining various part of the potential CMP product. Aileen Elsinger, R.N., is concerned primarily with quality assurance and utilization management as well as with designing a program that will coordinate a subscriber's total medical care. Ed Keiser is traveling across the state seeking input from the provider community. With their help, he is designing a delivery system that contains new procedures and incentives which can distribute the risks and rewards to all participants. Gene Rutherford, who heads the CMP Operational Analysis Work Group, is responsible for identifying and designing innovative operational solutions for the CMP which can make the Plan the low cost producer.

Anita Rodgers keeps the administrative effort running smoothly.

Even if this particular opportunity doesn't pan out, the team feels that there is still merit in the way they have approached it because there may be many other opportunities available for the company to increase market share in the future.

"Rather than using a 'cookbook' approach, we're trying to focus on the marketplace itself," said team member Bob Crozier. "We're not asking what we can deliver or what is out there that our normal product line can fit," he continued, "but rather we're asking what the needs of the marketplace are. As we come to understand those needs better, then we'll come back and ask how we can best deliver a solution to that need and whether it provides a real business opportunity for the corporation. We are focused externally rather than internally."

Crozier said that the team is trying to do two things simultaneously. They are trying to arrive at a feasibility analysis of a particular opportunity in the marketplace while also attempting to find the source of competitive advantage for the corporation. Part of creating this new type of venture management is to get other areas of the company involved. "Let them sit back from their day-to-day concerns for a moment," he said, "and say to themselves, 'If I could start all over again, how would I do this particular task to allow us to be more responsive to the needs of the consumer?'"

Jenkin added that the members of the team do not regard themselves as the creative force, but rather as facilitators of the creative force. "We're looking for people in the corporation to work with us because no one is more of an authority than someone who is currently bogged down with today's operational problems, someone who needs to lean back and think about a way out of the quagmire," he said. "If anyone knows the answer, it's that person and we need to know what he or she knows."

Jenkin summed up the unique aspect of his team: "We're not a task force because we are not timeshared with other responsibilities. We're not a product development group concerned primarily with implementation. Our job is to play Pied Piper with the corporation and pull them along with us. There is no real precedent for that around here and so it is hard for the corporation to know how to respond. But the opportunities are there for anyone with a good idea to help us define the health delivery system response that ensures our future."

Plan Turns To Plastic: New ID Cards To Be Issued



Beginning in early December, the Florida Plan began "rolling over" subscribers with managed care products to plastic ID cards. According to Steve Hyers, manager of Group Products, customers with Traditional Plus, Preferred Patient Care, Point of Service, Preferred Care Plus and Complementary Coverage contracts will be the first to receive the new plastic card.

The company is offering the plastic ID first to groups with managed care in order to encourage subscribers to join a network in which the fees are pre-negotiated and cost containment controls are in place. This in turn means that the subscriber is in a "hold harmless" situation — he can't be balance billed and his claim is filed for him. This costs both the subscriber and the Plan less.

Said Hyers, "A plastic ID card by itself may not induce a subscriber to become a part of a managed care network, but when you couple it with the 'hold harmless' aspect, you have a pretty strong inducement."

Going from paper to plastic is far from simple. The changeover affects many areas — HIS Field Services, Systems, Membership and Billing and Facilities, to name a few.

Mario Rubio, director of Membership and Billing, said that his area does not anticipate any major problems as a result of the change in ID cards; in fact, the error rate has been set at one percent. Because a company in Kansas City is producing the plastic card stock, it will take a little longer to mail the ID cards to subscribers — anywhere from two to three days. The plastic card is also more expensive than a paper one, but Rubio says that the advantages make the cost well worth it.

"This new way of doing business will add value to what we offer our subscribers," Rubio said. "Obviously, plastic is more durable than paper and the whole concept helps to put us ahead of the competition."

Hyers added, "People would rather have plastic. We are the industry leader and we need to project that image through our plastic ID cards."

Department Set to Exceed Goal

For 1986, the Request Refund Department set as its goal the recovery of \$6 million in claims overpayments. By mid-November, the department had recovered \$5,937,054 and Supervisor Jerry Lepore said that the unit would probably surpass its goal by half a million dollars at year's end. "This far exceeds anything ever collected here before," said Lepore. He added that production is so good his staff of ten collect the amount of the department's annual budget every 16 workdays.

In addition to collecting monies owed, the Request Refund staff also act as unofficial customer service representatives. "It's our job to bring the money back in and still maintain a good corporate image with our publics," Lepore said. "But it's not easy convincing someone to send money back on a claim. In order to get a subscriber to return an overpayment, a collector will sometimes need to take a problem that a subscriber has and work it through the organization first."

Lepore said that everyone in the department has "a little piece of the pie" and that teamwork ensures that the department's goal is reached. He added that the contacts they make and maintain are invaluable.

The department deals with subscribers, doctors and hospitals. The main reasons for requesting a refund include payment to the wrong provider, issuing a duplicate payment, coordination of benefits, and paying a claim incorrectly.



Interpreter Marcie

Masters signs to John

Olson as teacher J.

Michael Kelly looks on.

Teacher Gets “Roasted” By Student

When Training Coordinator J. Michael Kelly ends a two-month training session, he and his class usually go out to lunch to celebrate. His most recent class celebration was a little out of the ordinary, however. The keynote address turned out to be a “roast” of the trainer and was delivered by deaf student John Olson.

“It was a new experience for the whole class,” said Kelly, “because John gave the speech in sign language and his interpreter, Marcie Masters, voiced it for us.”

In his speech, Olson took remarks that Kelly had made while teaching the class and turned them back on the

teacher. For example, Olson said that, as they moved into their new positions, he and his classmates would probably “fall on our faces a few times” — a reference to Kelly’s recounting of his vertigo problems when he had an inner ear infection.

Olson also said that the class wanted Kelly to keep his head straight, so they had considered giving him a gift certificate for a visit to a mental health professional. “But even one visit would exceed your brain’s utilization limit,” added Olson, in a reference to their study of medical utilization limits.

The speech ended with a thank-you to Kelly for his

“love, understanding, help and patience” throughout the training session.

Olson had the highest average of any external applicant in the class and the next-to-highest average in the class overall. He holds an associate’s degree in business from the National Technical Institute for the Deaf in Rochester, N.Y., and would like to get a bachelor’s degree in the same field from the University of North Florida. Vocational Rehabilitation supplied his interpreter for the duration of the training session, but Correspondence Analyst Olson now works on his own in Med B Communications.

PHS Program Receives Positive Reception from Hospitals

As part of the implementation process for the Purchasing of Hospital Services Program, Tony Hubbard, vice president of Cost Containment, and Beverly O'Steen, director of Institutional Reimbursement, have been communicating the program, its objectives and timeframes to hospitals in the Orlando area. They have been receiving valuable feedback from these hospitals, according to O'Steen.

“For the most part, the

reception of the program has been positive," O'Steen said. "When the hospitals raise legitimate questions, we bring them back to the organization and the Implementation Group works to find answers." She added that the group has already anticipated most of the concerns expressed and has addressed them through the basic design of the program.

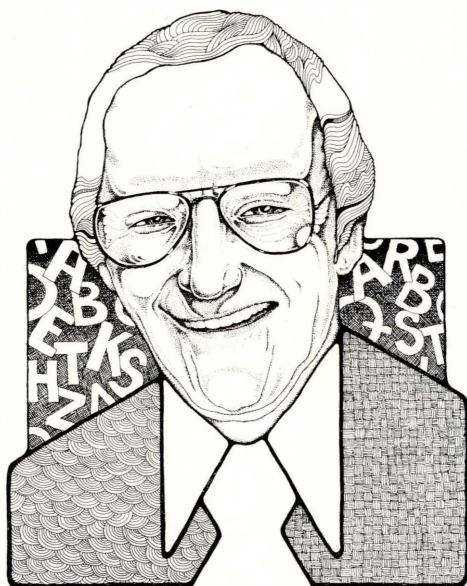
Taking the time to communicate to each hospital in the Orlando area has helped the Plan in some unanticipated ways. For example,

there has been some misinterpretation of the objectives of the PHS program through both formal and informal hospital industry communications. Several representatives from hospitals with whom Hubbard and O'Steen had communicated about the program took it upon themselves to correct the misconceptions.

O'Steen said that although the hospital administrators have been receptive, they are anxious to see the formal contract. This will happen

soon because the goal of the Implementation Group is to conduct negotiations with all Orlando-area hospitals throughout November. As soon as the systems are ready in December the hospital-specific data can be loaded in. The program can then be "turned on" January 1.

"We're entering an exciting phase right now," said O'Steen. "Things are really starting to come together. There's a strong commitment from the team to keep working and to keep the program on schedule."



Bibliomania

Power Lunching

by Bill Condon,
Manager, Corporate Information Center

It is probably a little known fact, but I've been heavily into power lunches — man and boy — for some 25 years. My idea of a really maah-vellous power lunch is a two-inch filet mignon (rare) nestled in a massive mound of hand-cut, French-fried potatoes, preceded by the rapid ingestion of the kind of dynamite-laden rye old fashioned you can summon up only in Detroit, Chicago or New York.

If I want an extra burst of power, I generally order a large tossed salad on the side with blue cheese dressing so lumpy the waiter has to use both hands to ladle it up.

In the power lunch of my dreams, I am dining in solitary splendor at a candlelit banquet seated in front of a large mirrored wall (I have always preferred an audience of one).

According to the July 1986 issue of *INC.* ("the magazine for growing companies"), I am hopelessly out of step with my times.

In a piece called “The Power Lunch,” Michael Korda, the renowned power pundit and best-selling author of *Success!* and *Power: How to Get It, How to Use It*, advises me that “What you eat for lunch couldn’t matter less. It’s a question of making an appearance, making an impression. One of the best ways of impressing someone you’re with is saying ‘hi’ to Henry Kissinger.”

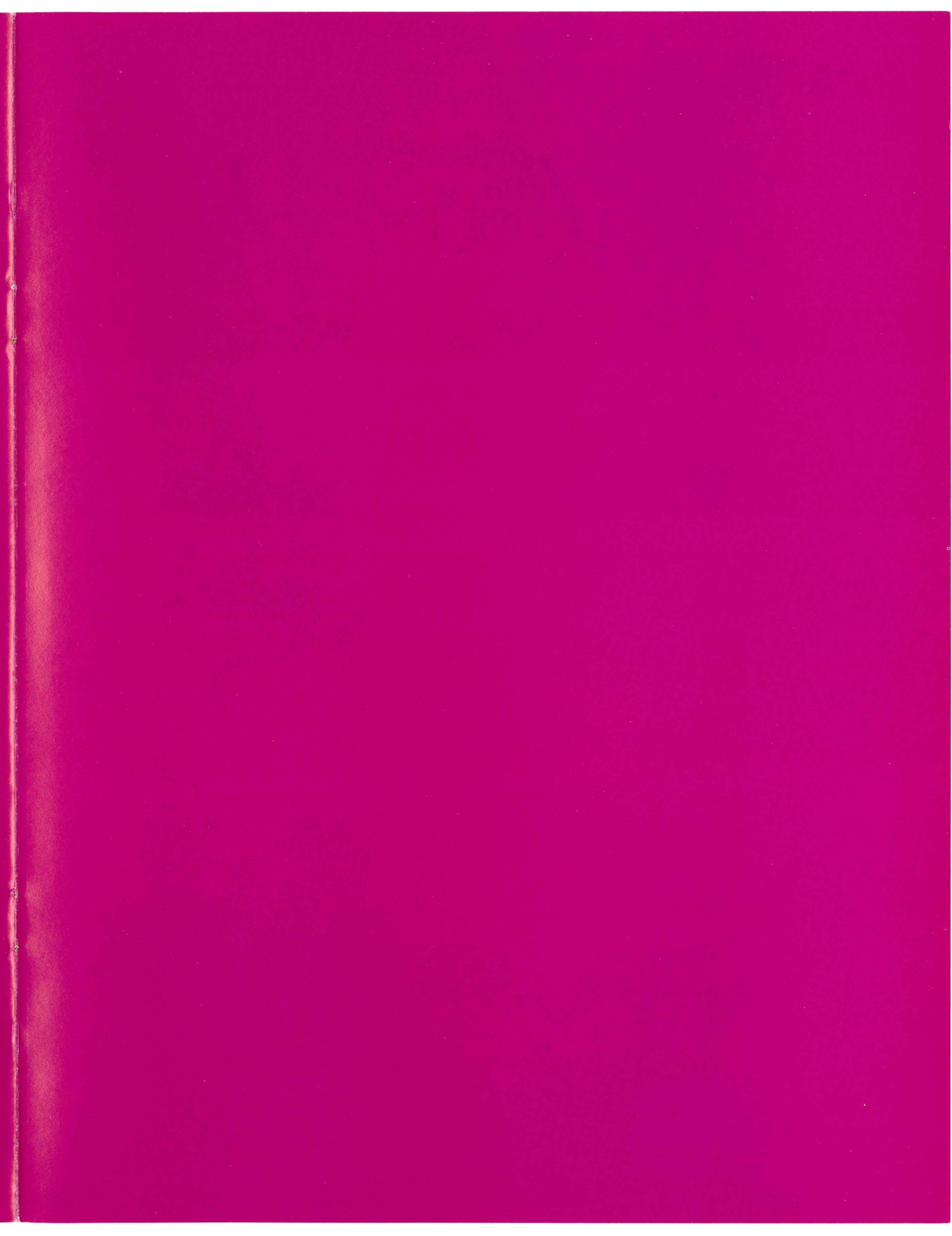
Dining alone, I gather, is out. So too, it appears, is steak. "Seafood is in," the article announces, "red meat is out. Those who feel a bit insecure about their power can compromise with a salmon or swordfish, still very much macho."

The ubiquitous Lee Iococca had a finger in all this seafood stuff, I think. Early in the piece, *INC.* notes that “Lee Iococca ate two dozen raw clams on the half shell at his first interview for the top spot at Chrysler Corporation.”

The act of eating itself apparently still has some values in the 1986 power lunch (or at least the site, the ambiance, the setting of the gastronomic power struggle). *INC.* says that “Forty percent of the Manhattan men and women surveyed by *Nation’s Restaurant News* in 1985 said they would rather eat in one of the city’s finer restaurants than have sex.”

Well, I can cope. I've reworked my dream lunch according to the strictures of Korda & Co., and fine-tuned it to a fare-thee-well. The present scenario calls for me to saunter into the River Club at high noon with Betty Friedan draped over one arm, and Henry Kissinger over the other.

After we're seated at a primo table, and just as I'm in the throes of ordering our six dozen raw clams on the half shell, the script calls for everyone in the room to rise to their tasseled-wingtip, loafer-clad feet and say "hi" to me.





**Blue Cross
Blue Shield**
of Florida

532 Riverside Avenue
P. O. Box 1798
Jacksonville, Florida 32231-0014

BULK RATE
U.S. POSTAGE
PAID
JACKSONVILLE, FL
PERMIT NO. 85